

## INFORMATION REPORT

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SUBJECT Diós Györ Heavy Machine Tool Plant

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THIS IS UNEVALUATED INFORMATION

1. The "Heavy Machine Tool Plant" in Diós Györ, formerly MAVAG (Magyar Allami Vas-acél-es Gépgyárat) is the largest armament industry under the immediate supervision of the Hungarian Ministry of War. Josef Groessel, a Communist laborer, is general director of this plant, which now has the following sub-divisions:

- a. An engineering division under the direction of Engr. Szillagyi Levente, former general director of this enterprise and Arrow Cross member, who has been placed in charge of this division because he is absolutely indispensable. His deputy, Engr. Gyula Gedeon, is also an expert and not a member of the Communist Party. Engr. Gustav Esztergalyos, former Arrow Crosser and now a member of the Hungarian Communist Party, is in charge of the construction engineering department of this division. His deputy, Jozsef Kardos, is another non-Communist specialist. The expert in charge of ordnance production is Chief Engr. Kamei Gözsü, a scholar who is known from his publications in professional journals.
- b. The Work Shop is supervised by Chief Engr. Bela Garatnay, a former member of the Arrow Cross.
- c. The department manufacturing railroad wheels is directed by Engr. Bela Markovits.
- d. Chief Engr. Bela Szalatnay is director of the ordnance acceptance commission.

2. The factory employs a total of 15,000 persons. Of this number 5,000 are skilled workers, 8,000 unskilled, 700 technicians, and the remainder administrative officials.

3. The following enterprises are affiliated with the aforementioned departments of the main plant in Diós Györ.

- 1. MAVAG- Machine shop of the Hungarian National Railroads which has sub-divisions manufacturing:
  - a) Machine tools
  - b) Component parts for locomotives
  - c) Vehicles

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## CENTRAL INTELLIGENCE AGENCY

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- d) Turbines
- e) Steam and gas traction engines
- f) Machinery for vessels
- g) Agricultural machinery
- h) Power work shop (Kraftwerkstatt) which handles the production of wheels, axles, and repairs, the latter particularly for Soviet railway gauge.
- i) General work shop. This work shop regularly receives component parts from other Hungarian factories and all final assembly work is carried out here. At the present time this shop is working on 30 turbines for Soviet Russia, smelting oven equipment for 250-ton furnaces for Hungary, 300 locomotive drive-axles for Soviet railway gauge, 500 small Diesel marine engines for Russia, and 500 main transmission axles for Russia.

II. The Machine Tool Plant: Foundations were completed in 1948 and the new installations are now in production. Additional installations are now under construction. At present time this plant is manufacturing:

- a. 7.62 cm cannons; monthly output estimated at 450.
- b. 45 mm anti-aircraft guns; an estimated 900 per month.
- c. Aircraft parts.

The completed cannons will be taken over by a combined Soviet-Hungarian Commission. This plant receives its raw materials from the USSR.

III. The Nationalized Smelting Furnace (MAVAG Kohaszati Nemzeti Vallalat):

Jozsef Herceg, an expert since the Horthy era, is general director of this enterprise. Laszlo Nemeth is in charge of the commercial department. A total of 9,000 persons, of which 5,000 are skilled workers, about 500 unskilled workers, 1,500 engineering and administrative officials are employed at this installation. This enterprise operates two ovens which have a monthly production capacity of 1,600 tons of raw iron. Russia supplies the raw materials for both of these ovens, which require about 2,400 tons of iron ore and 300 tons of coke per month. This iron is delivered regularly to the large rolling mill, the large forge of the Diósgyőr Machine Tool Plant, and the Martin steel mill which has 14 electric ovens and a monthly output of 1,400 tons.

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